

MOTION BY SUPERVISOR MICHAEL D. ANTONOVICH

MAY 18, 2010

RELATES TO AGENDA ITEM S-2 (DHS BUDGET COMMITTEE OF THE WHOLE)

In your current forecast, you indicate a projected deficit of \$599.5 million in FY 2010-11. Your report also lays out several scenarios for fiscal relief to address this deficit. Based on the significant issues surrounding CMS approval of the provider fee and the likelihood that the current waiver will be extended as is, and the uncertainty surrounding the State budget, even with the financial stabilization efforts, your report indicates in Scenario I that the forecast deficit will be \$101.9 million in FY 09-10 and \$378.1 million in FY 10-11, for a total cumulative deficit of \$480 million. Given that we are almost at the start of FY 10-11, the CEO and DHS must put into place a realistic plan to deal with this serious financial situation.

The deficit problems facing DHS are compounded by major changes in health care delivery and the significant challenges and costs that DHS faces in transforming itself to a managed care model. You indicated in your report that you will be providing information at a later date on these planning activities and their associated costs. In addition, we are dependent on the State to negotiate and process all actions related to key initiatives such as the waiver and provider fee. We are not at the table and are not privy to critical information on initiatives that can make or break the County's Health Care System.

I, THEREFORE, MOVE that the Board of Supervisors: 1) instruct the Chief Executive Officer and the Interim Director of Health Services to report back in 30 days on the specific steps that will be taken to address DHS' growing deficit, in light of the fact that the key revenue solutions identified may not be realized; and 2) send a 5-signature letter to the State Secretary of Health and Human Services requesting her to meet with the Board to discuss the State's strategy and intentions relative to the 1115 Waiver and the provider fee as well as the status of each of these initiatives.

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